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United States Virgin Islands

Working paper prepared by the Secretariat

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I. General

1. The United States Virgin Islands[1] is situated 75 kilometres east of Puerto Rico and comprises about 50 islands and islets, the largest of which are St. Croix (218 square kilometres), St. Thomas (73 square kilometres) and St. John (52 square kilometres). The capital of the Territory, Charlotte Amalie, is located on St. Thomas.

2. According to the administering Power, the estimated population of the Territory in 1996 was 110,000.

3. The climate of the Territory is subtropical and is moderated by the trade winds. The Territory has an average annual rainfall of 114 centimetres (45 inches) and lies within the hurricane zone.

II. Constitutional and political developments

4. Information under this section is contained in previous working papers prepared by the Secretariat (A/AC.109/2014, paras. 4-13 and A/AC.109/2054, paras. 4-5).

III. Military installations

5. It will be recalled that the United States Navy maintains in the Territory a radar and sonar calibration station and a headquarters building for its underwater tracking facility. There are permanent recruitment centres for the armed forces and a detachment of the United States Coast Guard on St. Thomas. The Virgin Islands National Guard is affiliated with the United States Army. The Territory remained a port of call for United States naval vessels and those of its allies (A/AC.109/2014, para. 19 and A/AC.109/2054, para. 6).

IV. Economic conditions

A. General

6. The economy of the Territory continues to be based on tourism and related services, construction and industrial development. Most manufacturing industries, including the Hess oil refinery, are located on St. Croix, while St. Thomas and St. John are primarily tourism-oriented. In 1995, the growth in gross domestic product (GDP) was registered at 11.6 per cent.

B. Public finance

7. Information on territorial public finance for the fiscal year 1995 is contained in a previous working paper prepared by the Secretariat (A/AC.109/2014, paras. 21-23).

8. According to the administering Power, total federal funds transferred to the United States Virgin Islands in 1995 equalled US$ 469 million. The distribution of those federal funds was as follows: grants to territorial government, $217 million; salaries and wages, $45 million; direct payments, $160 million; procurement, $34 million; and other programmes, $11 million.

C. Agriculture, livestock and fisheries

9. The agricultural sector is small. Some food crops, sorghum, fruit and vegetables are produced for domestic consumption. Senapol cattle are being developed on St. Croix.

D. Industry

10. The manufacturing sector consists of an oil refinery, production of aluminum oxide, and electronics, plastics, pharmaceuticals and watch assembly. It comprises 89 firms. Over 50 per cent of the manufacturing industry establishment and 83.9 per cent of industrial employment are located in St. Croix.

11. The Hess oil refinery is the largest in the western hemisphere and has a capacity of 550,000 barrels a day.[2]

E. Banking and insurance

12. According to the administering Power, as of 1995, deposits in the eight major financial institutions operating in the Territory (Banco Popular, Bank of St. Croix, Chase Manhattan, Citibank, First Bank P.R., First VI Federal Saving Bank, Bank of Nova Scotia and VI Community Bank) exceeded $1.2 billion. Time deposits, primarily in non-United States. banks, represented 25 per cent of the total. The banks offer a full range of personal and corporate financial services. All banks are regulated by the territorial

Banking Board headed by the Lieutenant Governor. United States. banks operating in the Territory are also regulated and insured by United States law and institutions.

13. All types of insurance are available through insurance agents who represent major international insurance companies. The insurance industry is regulated by the Lieutenant Governor who serves as Insurance Commissioner.

F. Trade

14. The United States Virgin Islands is not part of the customs territory of the United States. Trade with the Territory operates in a manner similar to a United States foreign trade zone, but with a separate customs law within the zone. The Territory's imports are governed by Law 64, which sets a 6 per cent customs duty that can be lowered by the territorial legislature. Otherwise, foreign trade is generally governed by United States import/export law and regulations and is administered by the United States Customs Service, except for duties and quotas. United States shipments are generally governed by federal interstate commerce law and regulations. One notable exception is the Territory's exemption from the Jones Act, which permits cargo transported between the Territory and ports in the United States to be carried on foreign flag vessels.

G. Tourism

15. Tourism accounts for over 60 per cent of the territorial GDP. In 1996, the number of air and cruise ship arrivals in the Territory equalled 449,628 and 1,316,425, respectively. Tourist expenditure in 1996 totalled $828.7 million.

H. Transportation, communications and basic facilities

16. The Territory continues to be serviced by the Cyril E. King Airport on St. Thomas and the Alexander Hamilton Airport on St. Croix. According to the administering Power, both airports are in excellent condition and in compliance with Federal Aviation Administration standards.

17. There are six seaports in the Territory; they are owned, operated and maintained by the United States Virgin Islands Port Authority. On St. Thomas, at the Crown Bay Marina Port, cruise ships have been arriving at the three-berth facility in increasing numbers, while cargo ships are currently utilizing a 900-foot cargo bulkhead. Also on St. Thomas, the Port Authority has completed construction of the Edward Wilmoth Blyde IV Marine Facility, which serves as a main link for passengers travelling between the United States Virgin Islands and the British Virgin Islands. At Cruz Bay, St. John, the Lorendon Lorence Boynes Sr. Dock accommodates four berths for ferry boats travelling to and from St. Thomas. The Ann E. Abramsons Marine Facility at Frederiksted, St. Croix, caters to large and mini cruise ships, naval vessels, limited cargo ships and local pleasure vessels. Located at the Gallows Bay Port in Cristiansted, St. Croix, the Schooner Channel is being utilized by mini cruise ships. Finally, the Port Authority Container Port, on the southern shore of St. Croix, accommodates tanker vessels bringing in molasses to the Territory's rum distillery, a major industry and source of revenue for the United States Virgin Islands Government.

18. Water conservation is of critical concern to the Territory, given the generally low annual rainfall. Water is obtained by three systems: catchments with cisterns, saltwater conversion and wells. The daily water demand on St. Thomas, St. John and St. Croix is approximately 3.5, 1.2 and 3.2 million gallons per day respectively.

19. There are approximately 47,000 electricity customers in the Territory. Transmission and distribution of power is typically 13,800 volts, 3-phase, 60-Hertz throughout the islands.

V. Social conditions

A. Labour

20. According to the administering Power, during 1995, the territory lost 2,480 jobs. Total employment declined to 45,070, its lowest level since 1988, and the rate of unemployment was 5.7 per cent. These trends in the labour market were attributed to an overall decline in economic performance of the Territory in 1995.

B. Public health

21. Detailed information on public health is contained in the previous working papers prepared by the Secretariat (A/AC.109/2014, paras. 46-50 and A/AC.109/2054/Add.1).

C. Crime and crime prevention

22. It will be recalled that, in 1995, the Territory joined the International Drug Enforcement Conference (IDEC) as a full member.

D. Educational conditions

23. According to the administering Power, the territorial Government operates the public education system subsidized by federal grants. The system provides education for school-age children from kindergarten through twelfth grade. Education is compulsory for children until they reach the age of 16 years.

24. There are 56 parochial and private schools. In 1996, approximately 30,000 students were enrolled in private, parochial and public schools. Pre-school, adult education and vocational programmes also operate in the Territory.

25. The University of the Virgin Islands is a four-year institution with a main campus on St. Thomas and a branch on St. Croix.

26. There are approximately 2,500 full-time and part-time students. The University offers B.A. and B.Sc. degrees in 33 fields and Master's degrees in education, business administration and public administration.

VI. Future status of the Territory

27. Information relating to the 1993 referendum on federal status and the future political status of the Territory is contained in the 1994 and 1995 working papers prepared by the Secretariat (A/AC.109/1183, paras. 15 and 16 and A/AC.109/2014, para. 61)).

Position of the territorial Government

28. Information on the position of the territorial Government is contained in a previous working paper prepared by the Secretariat (A/AC.109/2014, paras. 62-63).

Position of the administering Power

29. Information on the position of the United States on the future status of the Territories under their administration is contained in document A/AC.109/2047, para. 39.

Action by the General Assembly

30. On 27 March 1997, the General Assembly adopted, without a vote, resolution 51/224 B, section XI of which refers to the United States Virgin Islands.

Notes

[1] The information contained in the present paper has been derived from the information transmitted to the Secretary-General by the Government of the United States of America under Article 73 *e* of the Charter of the United Nations on 1 April 1997, and from published reports.

[2] The United States Virgin Islands, Economic Summary 1995.